GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:4181
ANSWERED ON:15.12.2000
SICK COMPANIES
JASKAUR MEENA;RAM SHAKAL

Will the Minister of FINANCE be pleased to state:

(a) whether the Government have defined thE criteria for declaring a company sick;

(b) if so, the deciding factors in this regard;

(c) the state-wise number of companies declare sick during the current year; and

(d) the steps taken by the Government for the revival?

Answer

THE MINISTER OF STATE IN THE MINISTRY FINANCE (SHRI BALASAHEB VIKHE PATH) :

(a) and Yes, Sir. As per The Sick Industrial Companies (Spec Provisions) Act, 1985 thesick industrial company mean. industrial company (being company registered for not lesj than five years) which has at the end of any financial ye accumulated losses equal to or exceeding its entire worth.

(c) As per Board for Industrial and Financ Reconstruction (BIFR)the details regarding state-number of companies declared sick during the year; (upto 30.9.2000) are given in the statement enclosed.

(d) Rehabilitation of sick units registered with BIFR are done in accordance with theprovisions of Sick Industrial Companies (Special Provisions) Act, (SICA) 1985. In feasiblecases, rehabilitation schemes are sanctioned for the revival of the sick companies which include various measures like restructuring the equity, induction of fresh funds by the promoters, merger with the other companies, change of management, provision for working capital and term loans by banks and financial institutions. Reliefs and concessions from various other concerned parties also form part of the schemes.